



Job Creation Through Capital Donation

BrightStar
WISCONSIN

2015
ANNUAL
REPORT





BrightStar
WISCONSIN

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Portfolio Manager

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A Message from our President & CEO



Dear BrightStar Donors and Friends:

This introduction letter to our 2015 annual report is a fairly easy one to write. Simply put, this past year we have made great strides to continue our mission, which is to deploy more money from generous donors into more Wisconsin early-stage companies to help make Wisconsin a more vibrant place to live and work. More, more, more...!

We added 14 additional companies to our portfolio this past year making for a total of 28. Nine of them were featured on a six minute "thank you" video to donors and I'd encourage you to peek at the video. [Click here](#) to view this video.

The diversity of commercial ideas and the quality of the managers and founders in our portfolio companies is truly outstanding, and the video gives you a real sense of that. It also underscores our premise that Wisconsin has all of the raw materials to be amongst the national leaders in job creation --- except for one important ingredient, enough investment capital to get them to commercial success.

The BrightStar investment committee has now deployed nearly \$4 million in the last two years and plans on investing another \$2 million in 2016. With a donor mix of new up-front contributions and ongoing 5-year pledges, we have a sufficient runway ahead for most of the year. We can always use more funds to support our mission, however! As our visibility continues to increase and our metrics begin to prove our job creation goals, we would hope to see more charitable dollars come our way.

A really nice financial boost for BrightStar has been our certification as a Qualified Venture Fund with the Wisconsin Economic Development Corporation. This allows us to receive state tax credits equal to about 25% on most of our investments, and then because they are marketable, sell them to Wisconsin taxpayers to further support our charitable activities.

We thank you for your interest in BrightStar!

Regards,

Thomas M. Shannon
President & CEO

2015 – A Brief Review

Background

The BrightStar Wisconsin Foundation (BSW) accepts charitable donations as a 501(c)(3) organization and uses them to take equity positions in for-profit early-stage companies. BSW works with government, educational institutions, charitable organizations, angel groups and venture funds to identify, invest or co-invest in, mentor and promote fast growing early-stage companies to create technology based jobs in Wisconsin.

Through the BrightStar Wisconsin Foundation, Wisconsinites who care about job growth and the economic vitality of our state can now donate and combine their forces to get the job done. As a founder of BSW, Tom Shannon is the foundation's head of day-to-day operations as its uncompensated President and CEO. He has been involved with early-stage companies for over a decade. The Foundation's seven other co-founders have all built businesses themselves and have accounted for BSW's initial capitalization.

This experienced founders group along with our investment committee has seen hundreds of deals, invested in dozens of early-stage companies and knows what it takes to get these high growth companies moving. Returns on the Foundation's investments in successful companies will be reinvested again in early-stage Wisconsin companies and other job growth related non-profit organizations. We operate without the fees and carried profit interests charged by for-profit funds or the stop-and-go funding associated with government initiatives. Instead we leverage our original donations to create a perpetual job growth engine.

"Everyone studying economic development in Wisconsin is aligned philosophically with what BrightStar is doing."
Mark Bradley – Ruder Ware Wausau

Editorial In The Milwaukee Journal Sentinel

On February 12 the Milwaukee Journal Sentinel published Tom Shannon's editorial: "Invest in Wisconsin Start-ups". The piece highlighted three of the many cutting edge technology early-stage companies we have in Wisconsin, two of which BrightStar has invested in - Dairyvative Technologies and Fetch Rewards. Updates on these two companies and the other twelve in BrightStar's 2014 portfolio are on pages 7 and 8.

"What BrightStar becomes now rests squarely on the shoulders of the wealthy and charitable folks of Wisconsin," Shannon said. "By continuing to deploy our funds on hand, along with the new money gathered at the current donation rate, we will no doubt continue to be a positive influence on our economy...a warm feeling, to be sure for our founders and donors."

To see the complete editorial, [click here](#).

"BrightStar is a creative idea that may be able to pry open the wallets of wealthy ex-Badgers around the country... We hope so."
Journal Sentinel Editorial Board

BrightStar Wins Awards

BrightStar was recognized by the Wisconsin Innovation Awards organization (WIA) for the foundation's innovative work in the nonprofit sector. The awards ceremony took place on Aug. 18 at Discovery World in Milwaukee, and was presented by American Family Insurance and Baker Tilly Virchow Krause. WIA celebrates and inspires innovation by highlighting and honoring the development of groundbreaking and innovative ideas. It hopes to encourage an even greater environment of innovation throughout Wisconsin.



BrightStar also received a Madison Magazine M-List Social Innovation Award for our work in keeping Wisconsin's best and brightest talent here in the state to start and grow businesses.

"Zilber Ltd. is committed to advancing our economy both in Milwaukee and statewide... We see BrightStar as an innovative approach..."

Jim Borris, President - Zilber Ltd.

BrightStar Presents Grant to UW-Madison Discovery To Product

BrightStar presented University of Wisconsin-Madison Discovery to Products (D2P) director John Biondi with a check totaling \$30,000 from its first pass-through grants earmarked by BrightStar donors. The D2P organization promotes entrepreneurship within the UW community and assists UW-related startups in beginning the commercialization process.

"BrightStar and its donors are our natural partners. I am excited by this collaboration and look forward to seeing positive results for UW, the entrepreneurs and ideas that are developed here..."

Rebecca Blank, Chancellor - University of Wisconsin-Madison

By The Numbers

Financial Position as of December 31, 2015

| | |
|------------------------|--------------|
| Total Assets: | \$7,872,146. |
| Cash: | \$788,007. |
| Total 2015 Expense: | \$420,590. |
| Portfolio Investments: | \$3,814,233. |

Our Donors

Our Venture Philanthropy Model

BrightStar Wisconsin Foundation was fundamentally created to improve job creation and the economic prosperity of Wisconsin. Whether one grows up in Wisconsin, or adopts the state as their home, Wisconsinites care about the great dairy state. Fortunately, many of us are incredibly philanthropic, donating both money and time...lots of it. Historically, much giving goes appropriately towards our schools and universities. However, BrightStar Wisconsin saw a void to be filled in the job creation space, a natural extension to the education of our students. BrightStar's founders felt that if given a donation vehicle that was singularly dedicated to growing the Wisconsin economy through job creation, Wisconsinites would step up and contribute.

"My return is going to be to help the state, and that will be a wonderful return for me."

Ab Nicholas - Nicholas Funds

Our Donors

A special thank you to all of our donors!

| | |
|---------------------------------|---------------------------|
| Judd S. Alexander Foundation | Ted Kellner |
| Mark Bakken | Mancheski Foundation |
| Andrew Burish | George Mosher |
| Mark Burish | Albert Nicholas |
| Sean Cleary | Michelle Picard |
| Dwight & Linda Davis Foundation | Carl Ruedebusch |
| Michael Drescher | Jeff Rusinow |
| Dudley Foundation | Paul Shain |
| Susan Engeleiter | Michael Shannon |
| Haack Family Foundation | Thomas Shannon |
| Jeffery Harris | Weinert Family Foundation |
| Jay Jensen | Wisconsin Economic |
| Kelben Foundation | Development Corporation |
| Robert Keller | |

BrightStar's suggested minimum donation is \$100,000. Our donations ranged from \$100,000 to \$1 million, and we accept pledges for up to 5 years.

Professional Service Providers

We have three companies that we want to thank for the services that they provide. Each of these companies has given us their professional advice and services at a significantly reduced rate. This helps keep our expenses down and frees up more capital to be used for investments in early-stage companies.

Dan Matola and his staff at Jacobus Wealth Management provide investment advice and asset management services. Dan also volunteers his time as our treasurer and is a member of our investment committee. Anthony Handzlik and his team at Reinhart Boerner & Van Deuren S.C. drafted the application for our non-profit status and provide ongoing legal counsel. Anthony also volunteers his time as secretary of our board. Andy Holman and the people at the accounting firm of Ritz Holman conduct our annual audit and file our Form 990.

All of these companies and their people have done a great job for us, and we applaud them for their services and continued support of our Wisconsin job creation initiative.

Donated In Kind Office Space

The Zilber Property Group in Milwaukee and Hurley Burish & Stanton, S.C. in Madison once again donated office space to run our two offices. Their contribution is greatly appreciated and allows more of the donated funds to go directly to our mission.

Zilber's Empire Building is in the center of downtown Milwaukee on the corner of Wisconsin and Plankinton Avenue. It is also right along the Milwaukee River and is the home of the historic Riverside Theater. Zilber is an incredible partner that is committed to economic development in Milwaukee and throughout SE Wisconsin.

Hurley, Burish & Stanton offices are located in the 33 East Main building, right on the Capitol Square, and it is one of the most beautiful buildings in downtown Madison. Mark Burish, one of the co-founders of the firm, is also a BrightStar founding donor and volunteers his time as a board and investment committee member.

Special Project Supporters

We received two donations to help fund specific projects that we recently completed. One of them is the annual report that you are reading right now. Madison-based Exact Sciences gave us a donation to help cover the cost of producing and mailing our 2015 Annual Report. We want to thank Kevin Conroy, Exact Sciences CEO & President, for his assistance on this donation.

The other project that received special funding was the production of the donor "thank you" video that Tom Shannon mentioned in his opening letter on page 1 and in the piece below. We want to thank Thomas Petri, former U.S. Representative for Wisconsin's 6th congressional district, for his donation to help cover the cost of producing this video.

Donor "Thank You" Video

This video was very well received, and if you haven't seen it, please take a few minutes to view it on the "For Donors" page on our website. The leaders of those companies express their gratitude for the assistance that our investment has made in their businesses. They realize how important our donors are, and since most of them never meet our donors, this was a perfect platform for sharing their appreciation for the generosity of the individuals and foundations that make all of this possible. This video was very well received, and if you haven't seen it, please [click here](#) to view it.

"It is exciting to see the development of the companies and the job creation that comes with their success. There are multiple beneficiaries of this formula!!" Sean Cleary - Cleary Holdings

Ads In Wisconsin State Journal and Milwaukee Business Journal

In November we did something that we had never done before, and that was to run donor appeal ads in the Wisconsin State Journal and Milwaukee Business Journal. We felt that after two years we had established ourselves as a significant player in the early-stage angel investment arena, and we wanted to share that story with potential donors throughout the state. The ad featured the 28 companies that we had invested in through the end of 2015, and the twenty-five individuals and foundations that donated money to BrightStar.

The main message came from our donors. They lent their names and signatures to an appeal for help. [Click here](#) to see the entire ad.

Our Investments

2015 Portfolio Overview

In last year's annual report, we stated that we hoped 2015 would be as dynamic as our 2014 portfolio, and it appears that it has been. We have made investments into diverse spaces, from life sciences to SaaS (Software as a Service) platforms to advanced manufacturing. Our portfolio companies are innovating customer engagement and lead generation, wine subscription models, native commerce and online retail, and the quality of healthcare delivery. Two companies even relocated to Wisconsin from other states.

Our 2015 investments geographically run from Wausau and Neshkoro down through Madison, into Waukesha County and to the south side of Milwaukee. It has been another great year in support of quality, sustainable job creation throughout the state and so, we now hope 2016 can be as dynamic as 2015.

You'll find complete listing and description of our 2015 portfolio companies on the following pages.

2014 Portfolio Update

The journey of an early-stage company is filled with bumps and potholes along the way. It is essential for early-stage entrepreneurs to remain positive, keep persistent, and to get up when knocked down. Everyone's path is different, and to that end, some portfolio companies have advanced much farther down the desired road than others, but we are ecstatic to say all have made some level of productive progress in 2015 to their eventual success. Please, check out their updates on pages 7 and 8.

BrightStar Portfolio Management Update

Last year we announced the formation of BrightStar Portfolio Management (BPM), a wholly-owned subsidiary of BrightStar Wisconsin Foundation and the vehicle by which the Foundation invests in early-stage companies. As a Qualified Venture Fund, BPM receives a 25% tax credit on many of our investments and those credits can be sold to third parties to offset annual operational expenses, allowing for more capital investment. Thus, because of our lean organizational model and our new ability to uniquely monetize these credits, we are proud to say that for every dollar donated to BrightStar, more than a dollar is invested into our job creating investment portfolio.

At the end of 2015 we sold over \$500,000 of these tax credits to a group of individual buyers led by Mark Bakken, the Managing Partner of HealthX Ventures and former Nordic CEO. "Our group saw an opportunity through purchasing these credits to both support BrightStar's mission of funding Wisconsin innovation, and also to then re-invest in start-ups around the state," Bakken said. "We were excited to help support new job growth and company formation in Wisconsin."

"BrightStar has been a pleasure to work with. As a Great Oaks syndicate partner, BrightStar has helped fill a critical need in the early-stage funding continuum. Additionally, their messaging across the state has helped build awareness of the varied and compelling businesses that are being founded in Wisconsin."

John Philosophos – Partner, Great Oaks Venture Capital

Investment Partners

BrightStar has made great strides in our relationship with multiple Wisconsin capital groups. Our investment model is based on working with these funds or networks throughout the state (and beyond) to deploy more capital into job creating, early-stage Wisconsin companies.

Below is a list of capital groups we've co-invested with thus far:

American Family Ventures
Angels on the Water
CSA Partners
gener8tor
Golden Angels Investors
Great Oaks Venture Capital
Greenpoint Tactical Income Fund
N29 Capital Partners
New Richmond Angel Investment Network
Venture Management
Wisconsin Investment Partners
Wisconsin Super Angel Fund

We hope to add more co-investors to this list in 2016!

"Capital and experience are the two biggest challenges facing start-up entrepreneurs in Wisconsin. BrightStar partners with the angel and venture community in our state to enhance our ability to provide both, giving start-ups enough capital to succeed and building the entrepreneurial eco-system in Wisconsin."

Michael Thorson – Founder, Inventure Capital and Co-Manager, Wisconsin Investment Partners

gener8tor Update

In 2015 we continued our support of gener8tor, the Milwaukee and Madison-based company that was recognized as one of the top fifteen early-stage accelerators in the entire country. In 2014 we made a commitment to invest at least \$50,000 in each company that comes out of their bi-annual accelerator program that meets BrightStar's mission and main investment criteria.



This photo was submitted by Bright Cellars, one of the gener8tor companies in our 2015 portfolio. Investment round led by CSA Partners.

We are looking forward to meeting their 2016 companies, and are also excited about their new gBETA program that assists companies coming out of Wisconsin universities to help fill the pipeline of early-stage, job creating investment opportunities.

Did You Know?

According to the Wisconsin Angel Network, about 14% of Wisconsin early-stage companies that received funding in 2015 were women-led, or women-owned businesses. Through BrightStar's first 2 years of investment, 25% of our portfolio companies are women-led, or women-owned businesses.

BrightStar Wisconsin 2015 Investment Portfolio

HITLIST

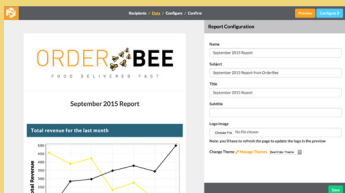
GoHITLIST has an advertising platform that changes the way businesses source new customers from the Internet. Instead of banner ads, pop-ups, and mass emails, the HITLIST platform incentivizes potential customers to engage with businesses through gamification modules that gather valuable data from those potential customers and then converts willing individuals into qualified leads and paying customers. HITLIST has moved from concept to beta to revenue in 2015.



BEEKEEPER DATA

COLLABORATIVE DATA PLATFORM

Beekeeper Data builds software that allows a business to quickly and effectively communicate key business metrics to staff, partners, and customers. The company's product enables businesses to scale and deploy reporting initiatives to drive higher customer engagement and lifetime customer value. Beekeeper launched version 1.0 of their software at the end of 2015 after a successful private beta program.



GROCKERKEY

GrocerKey partners with local & independent grocers to offer a free, branded online store. The company's platform provides a front-end store, back-end dashboard, "picker" apps, and the training and/or infrastructure to facilitate a pickup and local delivery service. GrocerKey truly empowers grocery stores with an online presence that represents their brand, giving them control of valuable customer data, and providing all the manpower necessary to properly bag orders and fulfill on demand delivery orders.



steelglaze

SteelGlaze was formed to meet the market need for a curtain wall system in the national and international fenestration industry. Merging the strength of steel with the company's patent pending thermal break has resulted in the creation of the first line of customizable steel curtain walls. Tests have shown these walls provide unmatched strength, unparalleled thermal rating, and improved efficiencies and stability compared to competitive systems. All this results in enhanced ROI for building owners around the world.



AkitaBox

AkitaBox is a location-based SaaS application that tracks what equipment, assets and rooms are in a building, where they are located and provides information for preventative maintenance, repairs and capital planning. This helps to simplify knowledge transfer and reduce the risk of equipment failure when team members leave. To ensure information is accurate and accessible, AkitaBox tracks building plans and manuals from design to demolition. The cloud application combines data with locations to make it simple for building teams to search, share and track building maintenance and construction information from anywhere.



DOCK TECHNOLOGIES

Dock Technologies seeks to improve effectiveness and efficiency of healthcare practitioners on the front lines. The practicalities of care are increasingly difficult, with more and more weight placed on technologies that distract from the patient and the process of providing care. The healthcare system needs data, but clinicians need usability and precise feedback to be able to act, especially in emergency cases like heart attack and stroke. Dock Technologies has created a cutting edge product solution that captures better quality data from the most critical clinical cases while allowing better responsiveness and care to the patient.



FloraSeq

FloraSeq was founded to leverage the knowledge of the human microbiome for the treatment of gastrointestinal disorders and to maintain gut health. The company is initially focused on developing a highly unique live biotherapeutic agent (similar to probiotics) for the treatment of clostridium difficile (C. diff) infections. This bacterium causes debilitating and deadly gastrointestinal infections in over a million patients per year and is one of the most prevalent and concerning hospital-acquired infections. Beyond the billion-dollar C. diff therapeutic market, the approach is relevant to a wide array of GI applications including Inflammatory Bowel Disease and Irritable Bowel Syndrome.



BrightStar Wisconsin 2015 Investment Portfolio



MCT of Wisconsin has a combined 80 plus years of experience in print finishing and digital die cutting solutions for specialty graphics. The founding team of MCT comes out of Mikkelsen Graphic Engineering, which pioneered using digital flatbed cutters to accurately “cut to print” and essentially founded the current flatbed cutting marketplace for grand format printers. The combined people and product experience makes MCT one of the most knowledgeable companies/teams in the industry in regards to digital finishing, the materials used, and their specific best finishing and cutting methods.



Quietyme is a technology company that developed a noise monitoring and reporting system for the hospitality and healthcare industry. It offers alerts and reporting for the management of hotels, hospitals, and apartments in order to reduce sound disturbances from the source of the noise. Once installed the system is a sensor data platform capable of transmitting any sort of wireless sensor data to improve the sleeping conditions of the people who need it most.

New Solutions Dashboard

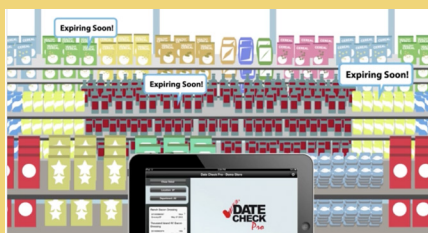
The dashboard displays a 'Quietyme Score' of 11,243, a 'Noise Breakdown' bar chart, and a 'Today Quietyme Score' of 11,243. It also includes an 'Overview' section with a 'Sleep Score' of 2.4 and a '3 Months Quietyme Score' line graph. A 3D model of a white noise sensor is shown in the foreground.



Bright Cellars is a subscription wine club that matches members to monthly wine selections. To start, each member takes a wine quiz to build his or her taste profile. From there, the company uses its matching algorithm to choose the best bottles to fit the taste of each individual member. Four new bottles of wine are shipped to members once a month. Members can also refer new members to Bright Cellars to receive a free bonus bottle with their next month's order.



Pinpoint Software was founded to significantly improve the business operations of organizations in grocery, convenience, retail and franchise chains. Pinpoint currently has two software products, Date Check Pro and Taskle. Date Check Pro (DCP) provides a specialty tool to the grocery and healthcare market that digitally manages product expirations in a much more efficient and methodical fashion. The second product, Taskle, addresses a broader market need of managing consistent businesses across multiple locations (ex. safety, inspections, inventory audits, maintenance, etc.) Their main focus is to drive operational efficiency and execution for grocers, retailers, and franchisors.



EmOpti, Inc.

EmOpti was founded by veteran physicians and modern technologists in response to the increasing need for improved performance in emergency medicine. EmOpti provides a suite of solutions for optimizing ER operations using advanced analytics and telemedicine technology. For example, the Triage Optimization Solution allows physician evaluation and treatment to begin as soon as a patient arrives. This approach cuts down wait times and costs, improving both clinical outcomes and patient satisfaction.



AltusCampus is an online marketplace for continuing medical education. Its platform enables individuals to meet and track license requirements and protects institutions' billing reimbursement eligibility by tracking workforce compliance with license requirements. AltusCampus is a Wisconsin C-corporation that currently licenses its platform to over 60 healthcare institutions throughout the country.



Okanjo is a native commerce company, focused on transforming content into commerce. Okanjo's Product Match technology analyzes online publisher content and pairs it with relevant products. These products can be shopped for instantly, allowing readers to purchase without leaving their content. The right product is in the right place at the perfect moment. Okanjo works with premium online publishers, major media companies, and a variety of top brands.



BrightStar Wisconsin 2014 Investment Portfolio Update



Fetch Rewards now has over two dozen stores live on the Fetch Rewards program with over 25,000 active users. These stores represent mostly tests in chains that could produce up to 200 stores themselves in 2016, and span from Puerto Rico to Massachusetts to Iowa and more. This year they brought in a \$4 million equity investment and a \$500,000 loan from WEDC. Fetch has brought on new key executives including Mike Kent as their President/COO and key strategic partners including a large coupon aggregator and one of the top 5 Consumer Packaged Goods companies in the world.



Modern Movement continues to develop and produce innovative fitness products, and in September 2015, was acquired by Nautilus, Inc. This allows Modern Movement to continue to innovate within a larger corporate environment. They are pleased to be part of Nautilus, Inc. and look forward to an exciting future. BrightStar has now exited this investment.



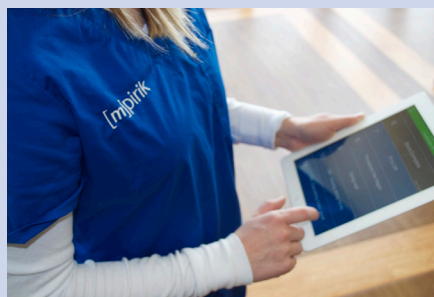
The Good Jobs secured engagements with Roundy's and Kohl's in 2015, among others. While overall sales increased, existing customers continued to drive sales with 80% of them renewing contracts in 2015. As consulting made up 60% of The Good Jobs' revenues in 2014, 2015 was dominated by product revenue, which accounted for 98% of sales.



Forward Health Group provides value-based population health management solutions to health systems, hospitals and multi-specialty clinics. They have earned the confidence of the American Heart Association, American Cancer Society and the American Diabetes Association, serving as the technology foundation that assures these respected organizations' prevention and treatment guidelines are put into practice. The company's value-based population health management solutions were highly rated in the "2015 Population Health Management Performance" report, released Dec. 18, 2015 by KLAS, a research organization that helps health care providers make informed technology decisions by reporting honest and impartial vendor performance data. In fact, the company received the highest preliminary scores of any of the companies evaluated. In 2015, FHG moved its headquarters in Madison to a new location to better support its rapidly growing workforce.



[m]Pirik doubled revenue and the number of hospitals that use the product to 16 in 2015. Its notification tool was used by 450 surgeons, 20K patients, and sent over 100K messages. Aurora is rapidly increasing the use of [m]pirik's products throughout the system and the company is expanding relationships or beginning pilots with local affiliations like Children's Hospital of Wisconsin and national systems like Banner Health, among others. The company still maintains a 100% renewal rate and is currently negotiating with multiple distributors.



SHINE Medical announced in October that the Nuclear Regulatory Commission (NRC) had completed their safety and environmental reviews and recommended approval of a Construction Permit for the SHINE facility—expecting to receive the permit in Q1 2016. SHINE is the first U.S. medical isotope producer to have reached this stage of the NRC permitting process since the 1960s. In November, GE Healthcare tested SHINE product and confirmed that it met all specifications. SHINE has developed a greener, safer, and cheaper way to produce medical isotopes on a global scale.



Stemina Biomarker devTOX assay is being used by pharmaceutical, chemical, cosmetics and tobacco companies to screen drugs and chemicals for their potential to cause birth defects. Early next year, the company will have a major scientific paper with the Environmental Protection Agency on the 1,069 compounds it has screened for them with the test. The Children's Autism Metabolome Project (CAMP) study is underway and is the largest study of the metabolome of children with autism and other neuro-developmental disorders ever conducted. The first subtype test will launch at the end of 2016 or early 2017 if patient enrollment is meeting planned enrollment numbers, with additional subtypes to be validated in 2016 and 2017.



BrightStar Wisconsin 2014 Investment Portfolio Update



Engineered Propulsion Systems fired the pre-production engine for the first time on September 20, 2015, and took the next step in a major development program for the company's new diesel aviation engine. The company has worked closely with Bosch to integrate new computer hardware and software that brings added levels of efficiency to diesel performance. Engine and flight tests are currently underway and EPS expects FAA approvals during 2017. EPS was also a recent recipient of a contract awarded by the US Air Force, which focuses on in-flight performance, operability, and reliability. In the meantime, EPS has been setting up a world class manufacturing facility with state of the art machinery, which allows the company to produce many critical components of the engine in house.

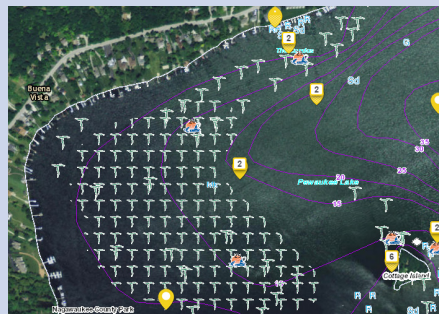


Swallow Solutions raised \$1.5M from investors in 2015 while growing top line revenue by 41%. The company successfully completed pilots with AEGIS Therapies, a division of Golden Living that is the second largest provider of rehabilitation services in the US, and HCR ManorCare, the second largest chain of skilled nursing facilities in the US. The former pilot included more than 60 patients at 13 facilities across four states, and demonstrated significant clinical and economic results. The Beverages division successfully completed its NIH SBIR Phase I Grant for \$225,000, and with the assistance of a \$75,000 grant from the Center for Technology Commercialization, they submitted an application for an SBIR Phase II grant for up to \$1.5M.



FISHIDY

Fishidy has grown to nearly 400,000 users in 2016. Fishidy's user base submitted hundreds of thousands of new fishing hot spots and catches coming from all 50 states and nearly 30 countries. Exciting new partnerships were executed with IBM, Lowrance and Geico Insurance. The company has also raised over \$250,000 in new investment partly stemming from their acceptance in the Stadia Ventures Accelerator Program where Fishidy was one of four selected companies out of over 200 applicants. Their product engineering resulted in new releases of both mobile apps and the website. These releases have resulted in 50% more user engagement and 40% drop in bounce rates.



Project Foundry increased the number of new schools adopting their program by 50% in 2015. Recurring revenue increased by 32% while non-recurring and training revenue increased by 40%. With its new and streamlined user experience, the company retained 85% of its subscribers and neared completion of its \$1.25M seed round. The move to learner-centered education is rapidly accelerating throughout the K-12 education market and Project Foundry is an acknowledged leader in the market.



Dairyvative Technologies recently raised an additional \$2.5 million in equity to support the ongoing commercialization of their SEVENx™ milk concentration technology. In July an exclusive strategic partnership was signed with Cornelius Inc., a leading beverage dispenser company, to develop fresh milk beverages for dispensing in quick service restaurants and other foodservice channels. Their pilot plant, which began in August 2015, received the necessary government certifications to produce commercial product for consumer trials.



Archangel Device LLC has successfully built several sales channels, both domestically and internationally, for its innovative Guardian Angel personal LED light bar. The company is currently working on several new variations of the Guardian Angel based on feedback from various channel partners and end users. The company intends to have five different models by the end of 2016 which will further help to facilitate sales across more channels and industries. The product has been featured at many trade shows, and has received a very positive response overall.



WholeTrees Structures achieved about \$750,000 in product sales in 2015 and ramped up the new production facility in Muscodora, WI. The company closed on \$350K in a bridge note to help drive activity and thus value leading up to a Series A. They also expanded the IP portfolio and advanced its new inventory selection software to near completion.



Our Results

Our Donors Help Create Jobs In Wisconsin!

BrightStar donors are individuals and foundations that have a passion for keeping the best and the brightest people here in Wisconsin. As a part of our state entrepreneurial ecosystem, BrightStar is focused on co-investing with lead investors throughout Wisconsin to ensure that companies will launch and grow here. It is our generous donors who enable us to invest in these innovative ideas that are being quickly commercialized and scaled up to create high-quality jobs in our state.

Job Creation and Job Metrics

BrightStar is excited to show the results of our activity via job creation metrics. In the end, this is what we are all about – Job Creation Through Capital Donation. Annually we will provide metrics on each company that has been part of our portfolio for over one year. Below you will see how our 2014 investments have measured up so far.

| 2014 Portfolio Companies | Employment at registration | Employment after first year | Jobs created |
|----------------------------|----------------------------|-----------------------------|--------------|
| EPS, Inc. | 12 | 16 | 4 |
| Stemina, Inc. | 10 | 14 | 4 |
| The Good Jobs, Inc. | 2.5 | 3.5 | 1 |
| Fishidy, Inc. | 9 | 8 | -1 |
| WholeTrees, LLC | 10 | 18 | 8 |
| Archangel Device, LLC * | 2 | 0 | -2 |
| Swallow Solutions, LLC | 5 | 6 | 1 |
| Modern Movement, Inc.** | 1 | 0 | -1 |
| Dairyvative, LLC | 5 | 8 | 3 |
| Fetch Rewards, Inc. | 19 | 36.5 | 17.5 |
| mPirik, LLC | 8 | 10.5 | 2.5 |
| Forward Health Group, Inc. | 16 | 33.5 | 17.5 |
| Project Foundry, Inc. | 6 | 10 | 4 |
| SHINE Medical Tech. Inc. | 16 | 23.5 | 7.5 |
| TOTALS | 121.5 | 187.5 | 66 |

* Owners are not taking a salary / ** Company sold to Nautilus

Milwaukee Journal Sentinel article – “Start-ups fuel new jobs in state”

In January of this year Kathleen Gallagher from the Milwaukee Journal Sentinel wrote a great article that discussed the results of research that supports the basis of BrightStar’s mission. When evaluating job creation in the state of Wisconsin in 2012, two University of Wisconsin-Madison researchers, Tessa Conroy and Steven Deller, discovered that more than half of all net new jobs were created by companies with less than 50 employees, and that companies less than a year old accounted for all of Wisconsin’s net new jobs for that year.

The researchers drew the conclusion that supporting entrepreneurs and new business start-ups was possibly one of the most effective public policy initiatives for creating new jobs in the state. With approximately only half of these start-ups surviving for more than five years, it becomes even more important to support an even higher number of these early-stage companies to offset the failures. The ones that make the cut have the potential to be substantial job creators over the long-term.

BrightStar firmly believes in their findings, and that is why we aim to support as many of these start-ups as possible.

To see the entire article, [click here](#).

Central Wisconsin Job Creation Initiative

In 2015 BrightStar was entrusted with donations from three Wausau-based foundations; The Judd S. Alexander Foundation, the Dudley Foundation and the Dwight & Linda Davis Foundation. They asked us to make an extra effort to deploy their donations in Wausau, or other Marathon county community companies that were going to create good quality jobs. We held an event in Wausau on May 19 that was hosted by the Marathon County Economic Development Corporation. We invited leaders from local, regional and state economic development departments to join us along with bankers, attorneys, angel investors and other individuals that could help us identify investment opportunities with innovative start-up companies in the area.



From left to right: Ann Dudley Shannon, Dudley Foundation President, Gary Freels, Judd S. Alexander Foundation President, Lorrie Heinemann, BrightStar Board Member, Todd Sobotka, BrightStar Portfolio Manager, and Fred Raasch, BrightStar Business Manager at the event in Wausau.

This collaborative effort resulted in us finding SteelGlaze, Inc., a manufacturing company that has developed a patented product for the commercial construction industry. They make the window frames, known in the industry as “curtain walls,” which are installed on the exterior structure of the building. The company’s curtain wall technology provides unmatched strength, unparalleled thermal rating, improved energy efficiencies and the greatest stability available for buildings today, all at a cost that is competitive with today’s existing systems.

While we are pleased to have our first investment in Marathon County, we won’t be satisfied until we have more of these success stories in Central Wisconsin and throughout the entire state.

Another Company Re-locates To Wisconsin

BrightStar’s mission is to invest in the early-stage sector. Most of the time that is accomplished via home grown Wisconsin ideas, but other times, we are excited to help bring innovative, job creating start-up companies to our state from other parts of the country. So far we’ve invested in three companies that relocated to Wisconsin: Dairyvative Technologies, Bright Cellars and HitList.

“The value that BrightStar Wisconsin has added to our company can’t be overstated. In addition to providing capital, BrightStar’s team introduced us to our lead investor, initial clients, and friends in the community. Our decision to relocate to Wisconsin solidified upon knowing that we would have an ally and resource in building our company here in this state. We count the team as great friends and valuable partners in our business.”

Andrew Stewart - CEO, HitList

BrightStar's Board And Investment Committee

BrightStar's 2016 Board

BrightStar has been extremely fortunate to have an exemplary board of directors and officers since its inception. Each of the individuals listed below brings a unique set of expertise and experiences to the table and all of them generously donate their time to support our mission.

Officers

Thomas Shannon – BrightStar President & Angel Investor
Jeff Harris – BrightStar Chairman & Angel Investor
Anthony Handzlik – BrightStar Secretary & Partner, Reinhart Boerner Van Duren S.C.
Daniel J. Matola – BrightStar Treasurer & President, Jacobus Wealth Management

Directors

Adam Berger – Partner & VP of Sales, Doering Fleet Management
Mark Burish – Co-Founder, Hurley Burish & Stanton S.C.
Pam Evason – Managing Director, Windermere Wealth Advisors, LLC
Aaron Hagar – VP of Entrepreneurship & Innovation, WEDC
Lorrie Heinemann – Partner, Wisconsin Capital Partners, LLC
Mark R. Hogan – Secretary & CEO, WEDC
Jeff Rusinow – Angel Investor
Dan Shannon – Senior Vice President, FIS
Andy Shrago – Managing Partner, Wisconsin Investment Partners

Welcome Our New Board Members

BrightStar has added a few new members, and we'd like to introduce them to you. In a January 2015 press release, we announced the addition of Adam Berger to our team.

"I have known Adam Berger for a number of years as an innovative Wisconsin business owner," said Anthony Handzlik, BrightStar's Board Secretary and Partner at Reinhart, Boerner and Van Duren. "As a Babson College graduate and active in their entrepreneurial ecosystem, Adam is well positioned to extend the relationship Babson has fostered with the Milwaukee community."

In our January 2016 press release we announced three additions to our board of directors: Mark R. Hogan, WEDC's Secretary & CEO, Aaron Hagar, WEDC's Vice President of Entrepreneurship & Innovation, and former BrightStar Vice President Lorrie Keating Heinemann.

"Mark and Aaron are welcome additions to the board, given their strong backgrounds in economic development," BrightStar CEO Tom Shannon said. "Lorrie's presence on the board will enable her to continue her great work building BrightStar, as she has done since its inception."

We want to offer special thanks and appreciation for Lorrie Heinemann's two years of service as the foundations Vice President. BrightStar engaged her nearly from day one of our incorporation to help craft our operations and raise our visibility in the community statewide. She will continue to be a positive force by assisting us on our board of directors. Thank you Lorrie!



Investment Committee meeting in BrightStar's conference room

BrightStar's 2016 Investment Committee

BrightStar is also very fortunate to have an extremely experienced Investment Committee. All of our members are knowledgeable investors, and they generously donate their time and expertise. We want to acknowledge and thank them for their contribution to our success.

We also want to welcome two new investment committee members, Michelle Picard and Jonathan Fritz. Ms. Picard is a Portfolio Manager at Henderson Geneva Capital Management. Prior to that she was a Principal at Geneva Capital. Mr. Fritz is the Chief Revenue Officer at Madison-based Symphony Corp. He is an attorney with extensive experience in venture capital and intellectual property law, and serves on the Wisconsin Technology Council board.

Investment Committee members

Mark Burish – Co-Founder, Hurley Burish & Stanton S.C.
Pam Evason – Managing Director, Windermere Wealth Advisors, LLC
Jonathan Fritz – Chief Revenue Officer, Symphony Corporation
Jeff Harris – Chairman, BrightStar & Angel Investor
Lisa Johnson – CEO, BioForward
Daniel Matola – President, Jacobus Wealth Management
George Mosher – Angel Investor
Michelle Picard – Portfolio Manager, Henderson Geneva Capital
Jeff Rusinow – Angel Investor
Dan Shannon – Senior Vice President, FIS
Tom Shannon – BrightStar CEO/President & Angel Investor
Andy Shrago – Managing Partner, Wisconsin Investment Partners
Todd Sobotka – BrightStar Portfolio Manager & Committee Chair

Members Recognized For Their Achievements

Jeff Rusinow, a BrightStar founding donor, board and investment committee member was inducted into the Wisconsin Investors Hall of Fame in November 2015, joining 2012 inductee George Mosher, also a BrightStar founding donor and investment committee member.

Jeff founded Milwaukee's first angel network, Silicon Pastures, in 2000. He spent 22 years in retail management, holding senior positions at Macy's, Gimbel's, Hudson Bay Co. and Kohl's Department Stores, where he was Executive Vice President until leaving the corporate mainstream. Jeff has directly invested in more than 35 start-ups, six of which had successful exits, including BuySeasons, Inc., BuyCostumes.com, ModernMed and RevolutionEHR.

George Mosher, in addition to being an inductee in the Wisconsin Investors Hall of Fame, has invested in over 150 angel deals over the years as a member of several Milwaukee angel groups and on his own. Mosher started National Business Furniture in 1975 and eventually grew sales to \$125 million before he sold it in 2006.

Adam Berger, a BrightStar board member, was honored by the Milwaukee Business Journal to be part of their very popular "40 Under 40" awards program. Each year they select 40 of the area's top up-and-coming young professionals under the age of 40 and recognize them for their success and help in making Milwaukee a better place to live and work.



MISSION

To serve as a super efficient philanthropic conduit for generous Badgers everywhere to assist in keeping our best and brightest in Wisconsin by investing in companies that create high paying jobs that will help our state compete, prosper and thrive in an ever-changing world.

The foundation accepts charitable donations into our 501(c)(3) and then takes equity positions in for-profit early-stage companies. Earnings and return of proceeds on investments made will be reinvested to create a permanent endowment. BSW works in a completely nonpartisan way with government, educational institutions, other charitable organizations, angel groups and venture funds to identify, invest in, mentor and promote fast growing early-stage companies to create technology based jobs in Wisconsin.

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